



Post-Retirement Matters

Annuitants will want to be aware of special issues, such as health insurance, automatic annuity increases, post-retirement employment limitations, and re-entry into active membership.

Health insurance

In addition to current participants, enrollment in the Teachers' Retirement Insurance Program (TRIP) is open to:

- ★ any member who has eight or more years of TRS service credit and is receiving a monthly retirement benefit;
- ★ any beneficiary who is receiving a survivor benefit from a member who had eight or more years of service credit; or
- ★ any member who is receiving a disability benefit, regardless of the years of service credit.

The program is administered by the Illinois Department of Central Management Services (CMS). We act as an agent for CMS in collecting the premiums and contributions to help fund the Teachers' Health Insurance Security (THIS) Fund, which finances TRIP. No TRS monies are used to fund TRIP.

There are four times when you may enroll in TRIP:

- ★ when you apply for monthly retirement benefits or disability benefits,
- ★ when you turn age 65 or become eligible for Medicare,
- ★ when coverage by a former group plan is terminated, or
- ★ during the annual Benefit Choice Period if you have never been enrolled in TRIP.

Enrollment information, including premiums and a summary of benefits, is provided in our *TRIP Program Highlights* booklet that is available through our Forms Order Line and our Web site.

Annual increases in annuity

Nearly all annuitants receive a 3 percent annual increase in their annuities. You will receive the increase on the *later* of:

- ★ January 1 following your first anniversary in retirement or
- ★ January 1 following the date you reach age 61.

The increase is effective in January of each year and is reflected in the payment you receive in February. When we calculate the first increase, we include increases for the entire time you have been in retirement. This first increase is calculated by determining the number of years that have elapsed since you retired or reached age 55, whichever is later, and the effective date of your initial increase. This increased benefit continues until the next annual increase of 3 percent is applied.

Some annuitants may receive increases in their annuities prior to the initial post-retirement increase due to minimum annuity legislation. If you are affected, we will notify you.

Employment limitations for annuitants

While you are receiving a retirement annuity, certain restrictions apply regarding employment you may accept, the types of positions in which you may be employed, and the number of days and hours you may work.

Employment limitation

You may be employed by any college, university, or private school without limitation. In addition, you may be employed by a school district in a position not covered by TRS without limitation. For example,

as a retired teacher you may be employed as a bus driver for any number of days or hours. You may also be employed in public school systems outside the state of Illinois without limitation.

Once you are retired, you may not resume employment in a TRS-covered position, including substitute and summer school teaching, in the same school year in which you last contributed to TRS. The school year is July 1 through June 30. Therefore, if you retire during the school year, you may teach summer school following retirement only if your first day of service is after June 30.

In addition, you must wait 30 days from the effective date of your resignation before performing any post-retirement teaching for the same employer.

120 days/600 hours limitation

Following the school year in which you last contributed to TRS, you may be employed in a TRS-covered position for up to 120 paid days or 600 paid hours per school year and still receive a retirement annuity. (Effective July 1, 2006, the 120 days and 600 hours will change to 100 days and 500 hours.)

If you work only full days (five or more hours per day), each day is counted toward the 120 days limitation.

If you work all partial days (fewer than five hours) or a combination of full and partial days, the time worked is counted toward the 600 hours limitation.

Each full day (five or more hours) is counted as five hours, even if you actually worked more than five hours on that date. For partial days, the actual number of clock hours worked is counted. For example, if you worked on two days during a given week, three hours on Tuesday and seven hours on Thursday, a total of eight hours (three for Tuesday and five for Thursday) would be counted toward the 600 hours limitation. We recommend that you maintain a record of your hours worked.

Only work that requires teacher certification (including summer school teaching) is subject to the 120 days/600 hours post-retirement employment limitation. All time that a teacher or administrator is required to be present for certificated duties is subject to the limitation. This includes preparation periods and time before, between, and after classes. For administrators, this includes all time that is required to be spent on administrative duties, such as attendance at board meetings and contract negotiations.

Extra duties that do not require teacher certification are not subject to the 120 days/600 hours post-retirement employment limitation.

A person who received a single-sum retirement benefit is not subject to these limits.

Exceeding the limitations

If you exceed the employment limitations during any school year,

- ★ we must be notified,
- ★ your retirement annuity will be suspended,
- ★ you will re-enter active membership, and
- ★ your employer must remit TRS contributions on all creditable earnings after the employment limitations are exceeded.

There are two circumstances where you will be required to repay all annuity payments in full from the date of retirement:

- ★ if you resume teaching in the same school year in which you retired or
- ★ if you exceed the employment limitations in the first school year following retirement.

Special consequences apply if you exceed employment limitations following retirement under any 5&5 Early Retirement Incentive (ERI) program. Call Member Services, (800) 877- 7896, for information.

Special circumstances

If you retire under the Illinois Retirement Systems Reciprocal Act, you must adhere to the post-retirement employment limitations of each retirement system that is, or will be, paying you a retirement benefit. Post-retirement employment in one system does not limit work in another system. Therefore, you should contact each applicable reciprocal system regarding employment limitations that may apply to you. All systems will discontinue benefits if the limits are exceeded.

If you retired from the Public School Teachers' Pension and Retirement Fund of Chicago, you are allowed to work in a TRS-covered position for any number of days or hours. However, if you exceed the 120 days/600 hours limitation in a school year, you must begin contributing to TRS upon exceeding the limitation.

Re-entry into active membership

As an annuitant, the only way you can re-enter active membership is:

- ★ to teach in a TRS-covered position in the same school year in which you last contributed to TRS or
- ★ to teach beyond the 120 days/600 hours limitation.

If you resume active TRS member status,

- ★ contributions are required on all creditable earnings, and
- ★ you are required to send us a new age retirement annuity application form when you file for retirement again.

If your second retirement date occurs in less than one year, your retirement is reinstated. If it follows completion of at least one year but less than three years of creditable service, your annuity will be recomputed using the law in effect on your first retirement date. If at least three years of creditable service have been established after you re-enter active membership, your annuity will be recomputed based on current law, including any legislation that changed benefits while you were in retirement the first time.

Return to work in subject shortage areas

Public Act 93-0320 allows some TRS annuitants to return to full-time, TRS-covered employment without loss of their pensions — but only in subject areas where the regional superintendent of schools certifies that a personnel shortage exists. The act is a five-year program that expires on June 30, 2008.

Participation and eligibility

If you are receiving an annuity, you may teach in a subject shortage area without compromising your retirement status if:

- ★ your employment does not begin within the school year service was terminated.
- ★ if you did not retire under the TRS 5&5 early retirement incentive.

- ★ if you retired before age 60 and with less than 34 years of service and the eligible employment does not begin within the year following the effective date of the retirement annuity.
- ★ if you retired at age 60 or above or with 34 or more years of service and the eligible employment does not begin within the 90 days following the effective date of the retirement annuity.

The employment must be certified as a subject shortage area by the regional superintendent. To become certified, the school district must advertise the vacancy in newspapers, placement offices, and through the Illinois Education Job Bank prior to the beginning of the spring or fall term. If the vacancy is not filled, the school district must submit documentation to the regional superintendent. The regional superintendent will certify the district's compliance with the provisions.

Once hired, you will be included in a collective bargaining agreement and will comply with the laws governing the employment, regulation, certification, treatment, and conduct of teachers. You will participate in the group health benefits offered by the school district without limitations based on pre-existing conditions.

Your annuity amount will be unaffected by employment under this legislation. An annuitant who returns to work under this program is not required to comply with the 120-days/600-hours post-retirement limitation. Neither you nor your employer will be required to contribute to TRS and no additional service credit will be earned.